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## FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 3.29.2010

Wall Street Journal: "Mortgage Increases Blunted ... The struggling housing market appears as if it will sustain less damage than expected this year from a spike in the monthly payments on hundreds of thousands of exotic adjustable-rate mortgages."

Wall Street Journal: "Bank-Tax Concept Gains Momentum ... The U.S. and European governments are moving toward a consensus on taxing large banks to cover the cost of any future bailouts rather than asking taxpayers to foot the bill, as happened regularly in past banking crises."

Wall Street Journal: "AIG Unit Feels Effects of Pay Limits ... Federal pay restrictions played a role in the surprise departure of the head of the aircraft-leasing unit of American International Group Inc., according to people familiar with the matter."

Wall Street Journal: "How Long Can the Fed Be a Hero? ... Superhero movies usually include a disturbing phase when the savior-figure becomes overwhelmed by opposing forces. But, right now, the market sees no such upset for Brilliant Ben and the Fantastic Federal Reserve, as they continue their rescue of the U.S. economy."

Wall Street Journal: "FDIC Stands Between J.P. Morgan and a WaMu Payoff ... The Federal Deposit Insurance Corp. backed away from its support for a \$1.4 billion tax break benefiting J.P. Morgan Chase & Co., setting up a battle between the regulator and the nation's second-largest bank."

Wall Street Journal: "Lost Faith in Institutions Hurts U.S. Outlook ... The U.S. has survived a civil war, world wars, terror attacks, depression, recessions, presidential impeachments, assassinations, stock-market crashes, banking crises and housing busts and emerged with its public institutions, like the government, functioning relatively well. Today, its institutions are being put to the test again."

Washington Post: "Mortgage-banking veteran Bott leads FHA foreclosure-prevention effort ... Vicki Bott hastily uprooted her husband, their three children, two dogs and a motor home from Austin to join the Federal Housing Administration six months ago and helped unveil the Obama administration's plan to revamp its faltering foreclosure-prevention efforts last week."

Washington Post: "Fannie maybe ... BY NOW, the Obama administration was supposed to have a plan to reform Fannie Mae and Freddie Mac, the "government-sponsored" mortgage finance enterprises (GSEs) that have been under federal control -- and absorbing \$126 billion in federal cash -- for the past 19 months."

LA Times: "More underwater homeowners to get cuts in principal balance ... For hundreds of thousands of homeowners who are underwater on their mortgages, it's been a tantalizing question: Is there any way that our lender might agree to lower the amount we owe -- not just the monthly payments but the principal debt itself?"

LA Times: "'Underwater' rescues ... Federal, state and local governments have launched initiative after initiative to save borrowers from foreclosure, leading many Americans to ask why some people should be rescued from the bad bets they made on the housing market while more cautious home buyers were left to absorb the full brunt of the collapse."

USA Today: "Expanded mortgage aid should cut foreclosures ... The Obama administration's revamped mortgage

program may help more borrowers keep their homes, but economists say it could also delay foreclosures that can't be prevented."

Bloomberg: "Treasuries Find Greenspan's Canary Fainting in Mine (Update3) ... Former Federal Reserve Chairman Alan Greenspan's warning that rising yields on government debt will drive up American borrowing costs is resonating with the world's biggest bond traders, who say this month's losses in the market for U.S. Treasuries are just the beginning."

Bloomberg: "Reform in Congress Lacking Cash Clause to Stop Lehman-Like Runs ... In 2,615 pages of financial reform legislation introduced in the U.S. Congress, there are no rules to ensure that banks keep enough cash-like assets when credit disappears."

Bloomgerg: "Fed Officials Signal Asset Sales to Play Bigger Role (Update1) ... Federal Reserve officials are moving toward a consensus that asset sales will play a more prominent role in their exit from the most expansive monetary policy in the central bank's history."